

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6253

BILL NUMBER: SB 102

DATE PREPARED: Mar 21, 2002

BILL AMENDED: Mar 14, 2002

SUBJECT: Licensing of Manufactured Home Installers.

FISCAL ANALYST: Chris Baker

PHONE NUMBER: 232-9851

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (CCR Amended) This bill establishes the Manufactured Home Installer Licensing Board to regulate installers of manufactured homes. The bill also sets the qualifications for licensed manufactured home installers. It provides that a person who installs manufactured homes without a license commits a Class B misdemeanor.

Effective Date: (CCR Amended) July 1, 2002.

Explanation of State Expenditures: The bill establishes the nine-member Manufactured Home Installer Licensing Board (the Board). Expenditures would be required to establish the Board and allow the Board to conduct business. If the Board met an average of twelve times per year, the expenditure required to cover all members' travel mileage, per diem, meal allowance, and lodging (if required) is estimated at \$13,700 per fiscal year. Additional startup expenditures for phones, printing, postage, and other non-personnel items would increase the estimate.

If the Professional Licensing Agency (PLA) required an additional staff member to administer the Board at the COMOT 3 level, the expenditure required would be \$30,578 in FY 2003 and \$29,931 in FY 2004. The bill requires the PLA to provide a person to serve as Secretary of the Board. The PLA already has an executive director who could serve in this role. The bill also allows the Board to be provided with other clerical and investigative personnel if necessary.

As of November 1, 2001, the PLA has 45 full-time and 4 part-time staff members and one vacancy (a COMOT 3 position). Expenditures for the Board are to be paid from the state General Fund.

Explanation of State Revenues: (Revised) The bill would require the Board to adopt fees by rule for licensing of home installers. It is estimated that the optimal number of potential applications for licensing under this bill is 200-210. In order to recoup the cost of an additional COMOT 3 position plus estimated

Board expenditures in a state fiscal year, a licensing fee of \$221 would be required.

Until July 1, 2006, the bill allows for applicants to waive the one year of installation experience or three references of competency when meeting the qualifications to be licensed. This provision may have a minor positive impact to fee collection in the short-term if more installers are licensed more quickly as a result.

The licensing provision of the bill would not prohibit a manufactured housing community owner, manager, or employees of a manufactured housing community owner or manager to provide maintenance to an installation if the maintenance does not otherwise require a license by a political subdivision for onsite electrical, plumbing, or mechanical systems installation. This provision should not effect revenue generated from the licensing of manufactured home installers.

Under the bill, a manufactured home installer license would be valid for four years.

All revenues generated by the licensing of home installers are to be deposited into the state General Fund.

Penalty Provision- Under the bill, if a manufactured home installer practices installation without a license, a Class B misdemeanor violation would result. If additional court cases occur and fines are collected, revenue to both the Common School Fund and the state General Fund would increase. The maximum fine for a Class B misdemeanor is \$1,000. Criminal fines are deposited in the Common School Fund. If the case is filed in a circuit, superior, or county court, 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund.

Explanation of Local Expenditures: *Penalty Provision-* A Class B misdemeanor is punishable by up to 180 days in jail. The average daily cost to incarcerate a prisoner in a county jail is approximately \$44.

Explanation of Local Revenues: *Penalty Provision-* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$120 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

State Agencies Affected: Indiana Professional Licensing Agency.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: Indiana Professional Licensing Agency; Jim Keller, Indiana Manufactured Housing Association, (317) 247-6258; State of Indiana, *Peoplesoft Staffing Table*, November 1, 2001.